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E.O. 12958: DECL: 04/16/2033
TAGS: [PARM](#) [MTCRE](#) [PREL](#) [KN](#) [KNNP](#) [CN](#)

SUBJECT: SHIPMENTS OF STEEL MATERIALS FROM CHINESE COMPANY
TO NORTH KOREAN ENTITY OF PROLIFERATION CONCERN (S)

Classified By: ISN/MTR DIRECTOR PAM DURHAM
REASONS 1.4 (B), (C) AND (D).

¶1. (U) This is an action request. Embassy Beijing, please see paragraph 4.

¶2. (S) Background: The USG has information indicating that in February 2008, the China Dandong Zhong Lian Petrochemical Limited Company was making arrangements to send two shipments of steel materials - suitable for use in a ballistic missile program - to a North Korean Trading and Defense R&D Company responsible for supporting North Korea's defense research and development programs. These items - sent via rail from Dandong, China to Pot'ong-gang District in Pyongyang - have already arrived in North Korea and specifically included: GCr15 ball bearing steel, 1Cr18Ni9Ti titanium stabilized stainless steel, and CK45 and Cr30 steel. All of these materials have potential uses in ballistic missiles.

¶3. (S) Objective: Given the identity of the end-user, the USG believes these shipments could potentially be intended for use in North Korea's ballistic missile program. We therefore want to urge Chinese officials to investigate this activity and take measures to prevent Chinese firms from acting as sources of supply to entities of proliferation concern in North Korea, especially in light of China's UNSCR 1718 obligations.

¶4. (S) Action Request: Request Embassy Beijing approach appropriate Chinese officials to deliver talking points/non-paper in paragraph 5 below and report response. Talking points also may be provided as a non-paper.

¶5. (S) Begin talking points/non-paper:

End talking points/non-paper

(SECRET REL CHINA)

-- We would like to raise with you a matter of proliferation concern and request your assistance in investigating this activity.

-- We have information indicating that as of February 2008, the China Dandong Zhong Lian Petrochemical Limited Company was making arrangements to send two shipments of steel materials to a North Korean Trading and Defense R&D Company.

-- The North Korean company is responsible for procuring commodities and technologies to support North Korea's defense research and development programs.

-- The shipments - which we understand have already arrived in North Korea - were to be sent via rail from Dandong, China to Pot'ong-gang District in Pyongyang.

-- Among the items sent were materials that can be used in a ballistic missile program. These include:

-- GCr15 ball bearing steel: This steel can be used to produce dynamically tuned gyroscope parts, ball bearings, races, and bearing spacers.

-- 1Cr18Ni9Ti titanium stabilized stainless steel: This material has been used in a variety of structural parts in Scud B and C missiles.

-- CK45 steel: This is a carbon and alloy steel that has been used for explosive bolts in Iranian missiles.

-- Cr30 steel: This steel has uses in dynamically tuned gyroscope motors.

-- While these materials also have commercial uses, given the past defense research and development-related activities of the end-user, we believe that these shipments may be intended for North Korean weapons programs, potentially including its ballistic missile program.

-- We encourage you to investigate this matter with an eye to preventing Chinese firms from acting as sources of supply to entities of proliferation concern in North Korea, especially in light of China's UNSCR 1718 obligations.

-- We look forward to continued cooperation on missile nonproliferation matters and look forward to hearing the results of your inquiries at the earliest possible time.

¶6. (U) Washington POC is ISN/MTR April Jones (Phone: 202-647-3176). Please slug any reporting on this issue for ISN/MTR, and EAP.

¶7. (U) A word version file of this document will be posted at www.state.sgov.gov/demarche.
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End Cable Text